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A T T O R N E Y S

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October 29, 1998

RECORDATION NO. 21751 FILED

OCT 29 '98 2-53 PM

Honorable Vernon A. Williams
Secretary
Surface Transportation Board
Washington, DC 20423

Dear Secretary Williams:

I have enclosed two originals of the document described below, to be recorded pursuant to 49 U.S.C. § 11301.

The document is a Memorandum of Lease Agreement, a primary document, dated as of October 26, 1998. We request that this document be given the next available Recordation Number.

The names and addresses of the parties to the Memorandum of Lease Agreement are:

Lessor:

LaSalle National Leasing Corporation
502 Washington Avenue
Towson, MD 21204

Lessee:

Duluth Missabe and Iron Range Railway Company
500 Missabe Building
Duluth, MN 55802

A description of the equipment covered by the Memorandum of Lease Agreement consists of 60 100-ton side dump cars numbered DMIR 2100-2159, inclusive.

BALL JANIK LLP

Honorable Vernon A. Williams

October 29, 1998

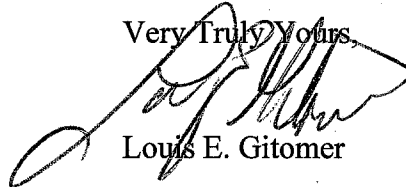
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A fee of \$ 26.00 is enclosed. Please return one original to:

Louis E. Gitomer
Of Counsel
Ball Janik LLP
Suite 225
1455 F Street, N.W.
Washington, DC 20005

A short summary of the document to appear in the index follows: a Memorandum of Lease Agreement between LaSalle National Leasing Corporation, 502 Washington Avenue, Towson, MD 21204, and Duluth Missabe and Iron Range Railway Company, 500 Missabe Building, Duluth, MN 55802, covering 60 100-ton side dump cars numbered DMIR 2100-2159, inclusive.

Very Truly Yours,

A handwritten signature in black ink, appearing to read 'Louis E. Gitomer', is written over the typed name.

Louis E. Gitomer

Enclosures

RECORDATION NO. 21751 FILED

OCT 29 '98

2-53 PM

MEMORANDUM OF LEASE AGREEMENT

dated as of October 26, 1998

between

DULUTH, MISSABE AND IRON RANGE RAILWAY COMPANY
as Lessee,

and

LASALLE NATIONAL LEASING CORPORATION
as Lessor

FILED WITH THE SURFACE TRANSPORTATION BOARD
PURSUANT TO 49 U.S.C. § 11301
on _____, 1998 at __:__.m.

MEMORANDUM OF LEASE AGREEMENT

THIS MEMORANDUM OF LEASE AGREEMENT is made and entered into as of October 26, 1998, by and between LASALLE NATIONAL LEASING CORPORATION ("Lessor"), and DULUTH, MISSABE AND IRON RANGE RAILWAY COMPANY ("Lessee"), with reference to the following:

1. Lessor has agreed to purchase and lease to Lessee, and Lessee has agreed to lease from Lessor, those certain railcars described on Exhibit No. 1 attached hereto.

All of such railcars are more fully described in that certain Master Railcar Lease Agreement dated June 30, 1998, and Schedule No. 1 thereto, and incorporating the terms thereof, dated as of October 26, 1998 (together with all of the riders, schedules and other attachments thereto, collectively, the "Lease"), each between Lessor and Lessee.


2. The Lease shall be effective as of the date hereof and shall be subject to the term specified in the Lease, and any extension of such term to the extent provided for in the Lease.

This Memorandum of Lease Agreement may be executed in any number of counterparts, each executed counterpart constituting an original but all together only one Memorandum of Lease Agreement.


[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have executed or caused this Memorandum of Lease Agreement to be executed as of the date first above written.

LASALLE NATIONAL LEASING
CORPORATION

By: 
Name: CONSTANCE W. LANCASTER
Title: VICE PRESIDENT

DULUTH, MISSABE AND IRON RANGE RAILWAY
COMPANY

By: 
Name: J.W. Schulte
Title: VP-Finance & CFO

STATE OF MARYLAND)
) ss.
COUNTY OF BALTIMORE)

On this 19th day of October, 1998 before me appeared Constance W. Lancaster, the person who signed this instrument, who acknowledged that she is the Vice President of LASALLE NATIONAL LEASING CORPORATION and that, being duly authorized, (s)he signed such instrument as a free act on behalf of said corporation.

[Seal] REGINA M. MCMANUS
NOTARY PUBLIC
BALTIMORE COUNTY

Regina M. McManus
Notary Public

My commission expires:

October 29, 2000

STATE OF Pennsylvania)
) ss.
COUNTY OF Allegheny)

On this 23rd day of ~~June~~^{OCTOBER}, 1998 before me appeared J.W. Schulte, the person who signed this instrument, who acknowledged that (s)he is the Vice President - Finance of DULUTH, MISSABE AND IRON RANGE RAILWAY COMPANY and that, being duly authorized, (s)he signed such instrument as a free act on behalf of said corporation.

[Seal] Notarial Seal
Patricia L. Kirk, Notary Public
Monroeville Boro, Allegheny County
My Commission Expires July 13, 2000

Patricia L. Kirk
Notary Public

My commission expires:

July 13, 2000

EXHIBIT NO. 1

DIFCO 100 Ton Side Dump Cars

DMIR 2100	DMIR 2115	DMIR 2130	DMIR 2145
DMIR 2101	DMIR 2116	DMIR 2131	DMIR 2146
DMIR 2102	DMIR 2117	DMIR 2132	DMIR 2147
DMIR 2103	DMIR 2118	DMIR 2133	DMIR 2148
DMIR 2104	DMIR 2119	DMIR 2134	DMIR 2149
DMIR 2105	DMIR 2120	DMIR 2135	DMIR 2150
DMIR 2106	DMIR 2121	DMIR 2136	DMIR 2151
DMIR 2107	DMIR 2122	DMIR 2137	DMIR 2152
DMIR 2108	DMIR 2123	DMIR 2138	DMIR 2153
DMIR 2109	DMIR 2124	DMIR 2139	DMIR 2154
DMIR 2110	DMIR 2125	DMIR 2140	DMIR 2155
DMIR 2111	DMIR 2126	DMIR 2141	DMIR 2156
DMIR 2112	DMIR 2127	DMIR 2142	DMIR 2157
DMIR 2113	DMIR 2128	DMIR 2143	DMIR 2158
DMIR 2114	DMIR 2129	DMIR 2144	DMIR 2159